



State Capitol | Lansing, Michigan 48913

PH (517) 373.6960 | FAX (517) 373.0897

www.senate.michigan.gov/gop/senator/jelinek/

For Immediate Release
February 12, 2004

Contact: Sen. Ron Jelinek
1-866-305-2121

Senate passes legislative package to help start-up businesses succeed and strengthen Michigan's economy

Lansing – Senate Republicans passed a package of bills Wednesday designed to help start-up businesses succeed, strengthening Michigan's economic future, announced Sen. Ron Jelinek, R-Three Oaks.

The 13-bill package – referred to as Tax Relief for Economic Expansion (TREE) – supports the new fast growing, high-tech research companies. This will assist these start-up companies by exempting them from property taxes as well as state and city income taxes for the first five years.

“This package will stimulate small-business growth in an area that Michigan needs to be giving its full attention,” said Senate Majority Leader Ken Sikkema, R-Wyoming. “More start-up businesses will mean increased revenues, even in the first two years, through income sales and other taxes. It's far better to receive some taxes from a lot of new businesses, than no taxes from nonexistent businesses.”

Businesses qualified as a “start-up” also would be exempt from the Single Business Tax (SBT) – during their first five years – in the years they do not make a profit.

“Small businesses are the backbone of our economy and our cities and villages as well,” Jelinek said. “If we keep our businesses healthy, our hometowns also will remain healthy.”

The first few years are the toughest for a new venture, with only 50 percent of small businesses succeeding more than four years. Senate Bills 862-873 and 875 will help those who are helping themselves and others to a more stable future in Michigan.

(More)

“Starting a new well-planned small business with a good future takes a lot of courage, investment and dedication,” Jelinek said. “Also, it creates jobs that help offer opportunities to even more citizens.”

A “start-up business” is defined by having fewer than 25 employees, having sales of less than \$1 million, not being publicly traded, and having research and development expenses of at least 15 percent.

The legislative package passed Wednesday is part of the JOBS – Job Opportunities for Business Success – action plan. Senate and House Republicans unveiled JOBS late in the fall of 2003. With Wednesday’s actions, eight of nine JOBS proposals had made their way out of the Senate headed for the governor’s desk.

###